



## **Downtown Center Business Improvement District**

### **BOARD OF DIRECTORS MEETING MINUTES January 6, 2010**

#### **Board of Directors**

Barbara Bundy, Robert Cushman (via conference call), Kathy Faulk, Frank Frallicciardi, Kent Handleman (via conference call), Steve Hathaway, Sandy Nam, Anne Peaks, Carol E. Schatz, Colin Shepherd, Patrick Spillane, Daniel B. Swartz, Cari Wolk, Josh Wrobel (via conference call), Peter Zen

#### **Absent**

Sonny Astani, David Damus, John Goldrick, Jeffrey Griswold, Robert Hanasab, Peklar Pilavjian, David Shahriari, Susann Ventzke

#### **Staff**

Hal Bastian, Michael Clark, Gennia Cui, Jacob Holloway, Connie Hwang, Aleeza Miller, Ken Nakano, Herman Pang, Alexander Stettinski, Justin Weiss

#### **CALL TO ORDER**

Bundy called the meeting to order with a quorum at 8:08 a.m.

#### **APPROVAL OF MINUTES**

A motion was made, seconded, and approved to accept the minutes from the November 4, 2009 meeting.

#### **PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS**

Bundy opened the meeting to the public for comments, in which there were none.

#### **PRESIDENT'S REPORT**

Schatz reported:

During an economic downturn such as this, the DCBID has been able to continue its full operations and to promote Downtown with various campaigns to continue the momentum of the Downtown renaissance. Schatz thanked both the Board and the staff for their work during this time.

Schatz announced that former LAPD Captain Blake Chow has been promoted to Commander and Captain Todd Chamberlain has taken his place as captain of Central Division. Captain Chamberlain will be at the next Board meeting.

The DCBID, CCA, AEG, and a few of the companies represented on the DCBID Board are co-sponsoring a reception for LAFD Chief Peaks and LAPD Chief Beck on January 19<sup>th</sup> at L.A. Live, and Ms. Schatz will also invite Bud Ovrom, the newly-appointed General Manager of the Department of Building and Safety, as well as Douglas Guthrie, the new General Manager of the Housing Department.

The Toy District BID has chosen not to renew its contract. Schatz spoke with Councilmember Jan Perry to see if the major property owner there will do anything to keep trash at acceptable levels. The DCBID was approached to see if it could take over, but the area is not contiguous with the DCBID. Schatz believes that after a few months of seeing trash pile up, an effort to start a BID again.

This is the second year of the LA Art Show at the Convention Center, which is significant because historically it has been held on the Westside. CCA is providing support and access to its members, because it brings 45,000 people to Downtown and it brings the Westside to Downtown.

The retail task force is moving forward. Schatz will be meeting with two firms the following day and hopes to get started as soon as possible to develop the strategy and report back to the Board.

The auditors requested Code of Conduct agreements signed by individual Board members to recognize potential conflicts of interest, and the documents were distributed to the meeting attendees.

## **ELECTION OF OFFICERS AND COMMITTEE CHAIRS**

A motion was made, seconded and approved to elect the following officers of the DCBID:

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Organization</u></b>
Chairman	Patrick Spillane	IDS Real Estate Group
Past-Chair	Barbara Bundy	FIDM
Secretary	David Damus	L & R Investment Group / Five Star Parking / WallyPark
Treasurer	Kathy Faulk	Hilton Checkers Hotel
Executive Vice President	Anne Peaks	Yellin Company
Executive Vice President	Dan Swartz	Quadrangle Development Company
Executive Vice President	Peklar Pilavjian	Los Angeles United Investment Company
President & CEO	Carol Schatz	Downtown Center Business Improvement District

After a brief discussion, a motion was made, seconded and approved to elect the following committee chairs:

<b><u>Committee</u></b>	<b><u>Chair Candidate</u></b>	<b><u>Organization</u></b>
Finance	Kathy Faulk	Hilton Checkers Hotel
Operations	Anne Peaks	Yellin Company
Economic Development*	Ed Tan – Chair	Maguire Properties
	Joel Miller – Vice Chair	Psomas
Marketing	Dennis Hernandez – Chair	The Standard
	Charisse Older – Vice Chair	Morton's The Steakhouse

\* This is officially a CCA Committee co-chaired by a DCBID property owner.

## **HISTORIC DOWNTOWN BID CONTRACT**

Ms. Schatz thought this item would be an action item because she expected a proposal to come in from the Historic Downtown BID Board, but it has not been submitted yet. Early in 2009 the DCBID evaluated the work it does for the HDBID to see if the contract fees cover costs. Because there was a discrepancy between actual costs and fees, a proposed fee increase was submitted to the HDBID. The HDBID began to evaluate whether or not to become self-sufficient. Tom Gilmore was the Chairman of the HDBID Board and wanted to separate maintenance from the contract with the DCBID and continue to contract safety and administrative support services through the DCBID. The DCBID Board members expressed concern during the 2009 retreat about the HDBID maintaining the level of service to protect the DCBID's eastern border. At the last meeting of the Historic Board, Mr. Gilmore thought Russell Brown would step down from his position as Executive Director of the HDBID. However, the Board voted not to allow him to step down, and Mr. Gilmore resigned his position as Chairman. Additionally, the HDBID is changing its uniforms, although they are still under a month-to-month contract with the DCBID.

Concerns were expressed by the DCBID Board members regarding the lack of a contract. The DCBID will continue providing services on a month-to-month basis until a formal proposal is received, at which time it will be taken before the Board for a vote. The HDBID needs to submit its budget to the City in the very near future, which will include its budget for DCBID services.

## **COMMITTEE REPORTS**

### **FINANCE**

Clark reported:

The 2010 Annual Planning Report is sent to the City every year, which summarizes the projected results for the 2010 budget and puts into words the projected activities and improvements that the BID intends on accomplishing in 2010. The Report was approved by the Finance Committee, but must be approved by the Board of Directors. A motion was made, seconded, and passed to approve the 2010 Annual Planning Report.

A motion was made, seconded, and passed to approve Green Hasson & Janks as the outside auditors and tax preparers for the 2009 fiscal year.

As of the completion of the November 30, 2009 Financial Statements, total net assets are \$2.3 million dollars with total cash and CDs of \$1.9 million. There is no longer a liability with the CEO retirement amount and there is an

asset in the books for \$442, 816 for the value of assets contributed to fully settle the issue, and that asset will be distributed to the CEO upon retirement. The year to date excess of revenues over expenses is \$490,000. Although assessments are down \$211,000, the expenditures are also under budget by \$710,000. Given the economic climate, the DCBID saw the necessity to pare down the Marketing and Economic Development activities. In addition, the DCBID has been able to uphold the Safety and Maintenance quality in the district while spending less money in that area as well. The original budget deficit for the entire year was \$525,000, and when the reforecast was done in August, the DCBID projected an annual deficit of \$205,000. The actual ending deficit will be between \$100,000 to \$150,000.

A motion was made, seconded and passed to approve the August 31, 2009, the September 30, 2009, and the October 31, 2009 Financial Statements.

The November 30, 2009 Financial Statements will go to the Finance Committee for review.

## **ECONOMIC DEVELOPMENT**

Bastian reported:

Steve Needleman offered to donate 3500 square feet of space for the proposed Downtown Los Angeles Marketing Center at 816 S. Broadway, as long as the DCBID can raise subscription and income to cover the costs of operating the center. There will be a pitch meeting on January 27 to everyone in the community, including residential buildings, bars, restaurants, the Music Center, and L.A. Live, among others, to talk to them about the concept of the center and how it would work and be funded. Everyone with collateral in the center would pay a subscription fee to cover operating expenses. At least 132 people have responded to the invitation already.

The Annual Fall Program and Tour had an excellent turnout, with over 300 people in attendance, including commercial and residential retail brokers, commercial and residential real estate developers, commercial and investment bankers, retailers, restaurateurs and nightlife operators, city planners and other public officials (including Councilmember Perry), and people considering doing business in Downtown Los Angeles. The attendees were tour started at Club Nokia and visited Ritz-Carlton and Regal Cinemas, 7<sup>th</sup> & Fig Shopping Center, Bottega Louie, The Association, Cole's & The Varnish, Police Administration Building, Evo, and ended with lunch on the Target Terrace at L.A. Live.

The housing tours continue to be full.

## **MARKETING**

Stettinski reported:

The 2009 Holiday Campaign was just completed. The statistics haven't been fully compiled yet, but the Sheraton booked over 60 additional room nights and the Wilshire Grand reported an additional \$13,000 in revenue due to the campaign. The feedback from merchants was very positive.

The Valentine's Day media campaign will be started shortly.

Over 1,500 guests attended the DCBID-sponsored event showing "The Wild Bunch" at the Million Dollar Theater, with lines wrapping around the block and several Hollywood celebrities in attendance.

The Downtown Directory has been completed and was distributed to the meeting attendees.

The website was updated with new events, specials and the new Holiday Campaign. The website received over 48,000 visits between October 15 and December 15, of which over 32,500 were unique visitors. We received about 126,000 page views for that time frame. The numbers for December were substantially higher due to our Holiday Promotion.

The Downtown Guides have been active in their outreach to businesses, residents and visitors in the Downtown Center. The Guides were present at the monthly Art Walks and the weekly Farmer's Markets. Between October

15 and December 15, the Guides distributed over 30,000 pieces of collateral, including the DCBID Directory, maps, and various pieces promoting venues in Downtown. They gave over 3,200 directions to places in Downtown, including restaurants and public transportation.

## **OPERATIONS**

Nakano reported:

Safety Officers assigned to the Historic Area were recently commended by the Los Angeles Police Department for their assistance with the apprehension of a serial car burglary. The safety staff was flagged down by a resident from the Chapman lofts who advised that there was an individual in the structure breaking into vehicles. The Safety Patrol set up a perimeter and awaited the arrival of the Los Angeles Police Department. Once the police arrived on scene, they captured the suspect, who was later linked to approximately 12 burglaries from vehicles within a 2-week time span.

The Maintenance Operations staff has been working on a modified deployment, which will allow for us to operate maintenance crews later in the evening to address problematic areas, which are nearly impossible to address (due to pedestrian traffic) during the day time, which has been tremendously successful.

Commander Chow released his year end statistics for the Downtown Los Angeles area, which show that all crimes have decreased significantly and we are seeing the lowest crime rates since 1943. The DCBID Operational statistics were distributed to the meeting attendees.

There is a chance that 20,000 California inmates will be released by the end of January, and a significant portion of those will end up in Downtown Los Angeles. Unfortunately, many of them will be released without conditions, probation or parole.

There was only one incident on New Year's Eve.

The LAPD holiday deployment went very smoothly this year with a lot of good feedback.

Downtown saw its first murder of the year in Toy Town, where the hotel manager was stabbed to death.

## **OLD BUSINESS**

No old business was brought up.

## **NEW BUSINESS**

A motion was made, seconded and passed to approve changing the schedule of DCBID Board Meetings to quarterly meetings instead of bi-monthly meetings. The next meeting will be held on March 3, 2010, during which the schedule for the rest of the year will be decided upon.

## **ADJOURNMENT**

The meeting was adjourned at 9:41 a.m.